tax for the first three years. The RBI has recently revised upwards the eligibility of food processing units for priority sector bank lending with an investment in plant and machinery upto Rs. 10 crores as against Rs. 5 crores earlier. Any new food processing unit based on fruit and vegetable is exempted from Income-tax, completely, for the first five years and thereafter 25% of the income is exempted from Income-tax for the next five years.

Cold chain facilities

1401. DR. M.A.M. RAMASWAMY: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government proposes to encourage setting up of cold chain facilities and backward linkages in the country;

(b) if so, the details thereof;

(c) whether it is a fact that inadequate infrastructure is a major road block in the way of agro-food processing in the country; and

(d) if so, the steps taken/proposed to be taken by Government to address this issues, in order to further encourage food processing industries in the country?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) To encourage setting up of cold chain facilities and backward linkages in the country, Ministry of Food Processing Industries (MFPI) has a Plan Scheme during 11th Plan to provide financial assistance to project proposals received from public / private organizations for integrated cold chain infrastructure development. The scheme envisages financial assistance in the form of grant-in-aid @ 50% of the total cost of plant and machinery and technical civil works in general areas and 75% for North Eastern Region and difficult areas subject to a maximum of Rs.10.00 crore. The initiatives are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure, establishing value addition with infrastructural facilities like sorting, grading, packaging and processing for horticulture including organic produce, marine, dairy, poultry, etc.

(c) and (d) Government is aware of inadequacy of cold chain infrastructure available for food processing industries in the country. For development of infrastructure for the growth of food processing sector, besides cold chain scheme, Ministry of Food Processing Industries (MFPI) developed a Plan Scheme, to provide financial assistance for establishment of Mega Food Parks, which envisages a well-defined agri/horticultural-processing zone containing state of the art processing facilities with support infrastructure and well established supply chain. The scheme aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimization of wastages and improving farmers' income. The primary objective of the scheme is to facilitate establishment of an integrated value chain, with processing at the core and supported by requisite backward and forward linkages. The Scheme envisages financial assistance in the form of grant-in-aid upto 50% of the project cost in general areas and up to 75% of the project cost in NE Region & difficult areas subject to a maximum of Rs. 50 Crore for creation of common Infrastructure facilities and facilities for backward and forward linkages.

Ministry of Food Processing Industries also extends financial assistance in the form of grant-in-aid @ 25% of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of

Rs. 50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries. In order to ensure speedy disbursement of financial assistance, the Ministry has decentralized the disbursement procedure through banks under the Scheme of Setting up/Modernization/Expansion of food processing industries with effect from 01.04.2007.

Ministry has also been operating several other Plan Schemes to provide financial assistance for modernization of abattoirs, setting up / up-gradation of food testing laboratories, creation of infrastructure facilities for human resource development, Research & Development in food processing sector, implementation of Quality Systems such as Hazard Analysis Critical Control Points (HACCP) / ISO 22000 systems besides other promotional and capacity building measures to encourage development of food processing industries. Moreover, the Government has taken several steps like tax reduction, waiver/reduction of excise duty, reduction of custom duty on specific food items with a view to encourage the growth of Food Processing Industries and make them more competitive.

Food processing industries in A.P.

1402.SHRI M.V. MYSURA REDDY: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Government has conducted a survey in Andhra Pradesh for assessment and development of food processing industries;

(b) if so, the details of potential in Andhra Pradesh with regard to food processing sector;

(c) whether any food parks are proposed to be set up in that State; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (d) The Government has conducted a survey to assess the feasibility of establishing Mega Food Park in Andhra Pradesh in the year 2007-08 which is essentially aimed at attracting entrepreneurs to invest in food processing sector by providing modern infrastructure. Andhra Pradesh has good potential for food processing industries based on the production of raw materials like fruits and vegetables, grains, oilseeds, poultry, fish etc. Based on the above survey, Chittoor District in the State has been identified as location for establishing one Mega Food Park. This Mega Food Park envisages to have an investment of about Rs.114 crore in common facilities and expected to leverage an investment about of Rs.218 crore in processing units. It is estimated that an annual turnover of about Rs.540 crore will be generated by the above Mega Food Park and will create approximately 45,000 employment opportunities (both direct & indirect).

New engineering and technical educational institutes in Jharkhand

1403.SHRI PARIMAL NATHWANI: Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether there is any plan for setting up of new engineering and technical educational institutes in Jharkhand;